Impact of fuel cost on airfare

2645. SHRI GHULAM NABI AZAD: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether the domestic airfares in India are among the highest in air tariffs;

(b) if so, the reasons therefor;

(c) whether Government are anticipating increase in fuel cost this year;

(d) if so, whether increase in Aviation Turbine Fuel (ATF) can be recovered through hike in air tariffs; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION (SHRI SHRIPAD YESSO NAIK): (a) No, Sir.

(b) Does not arise.

(c) Prices of Aviation Turbine Fuel (ATF) are no longer regulated by Government. It is, therefore, not possible to give any firm indication of increase in price as these will be determined by market conditions.

(d) and (e) The price of ATF has increased from Rs. 21,900/- per kilo-litre in October, 2002 to Rs. 25,200/- per kilo-litre in March, 2003. This has put an additional burden of Rs. 140 crores per annum on Indian Airlines.

Indian Airlines has with effect from 26.03.2003, increased the Rupee fares on domestic sectors by 15%.

The increase in air fare will partly offset the increase in ATF cost.

Direct air services from Rajasthan for Hajis

2646. SHRI AIMADUDDIN AHMED KHAN (DURRU): Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether the State Government of Rajasthan has requested the Central Government to make such necessary arrangements which

would enable the Haj Pilgrims to catch the direct flights from Rajasthan instead of travelling to other cities for that purpose;

(b) if so, the details in this regard; and

(c) the action contemplated by the Central Government thereon?

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION (SHRI SHRIPAD YESSO NAIK): (a) and (b) Yes, Sir. The Chief Minister of Rajasthan has requested this Ministry to start Haj flights from Jaipur Airport to Jeddah.

(c) Starting a new point is a policy decision which is taken only after due consultation with Ministry of External Affairs and Central Haj Committee keeping in view the costs involved and facilities available at the airport.

Decline in domestic passenger traffic in 2003

2647. SHRI P. PRABHAKAR REDDY: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether the domestic airlines have to face a difficult situation in 2003 due to high operational costs and poor growth in number of passengers;

(b) if so, whether Government ahve drawn-up/proposed to draw-up a contingency plan to deal with the situation and ensure a viable domestic airlines running to full passenger capacity; and

(c) if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION (SHRI SHRIPAD YESSO NAIK): (a) Domestic airlines are facing a difficult situation due to increase in various input costs, which *inter alia* include Aviation Turbine Fuell (ATF), aircraft maintenance, insurance, security expenditure etc. There has been a marginal growth in the number of passengers in the first two months of the year 2003, as compared to the corresponding period last year.